

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT:**

Agriculture – Seed Production Programme of SSG Jowar Seed during 2007-08 – Clearance of pending payment to the farmers – Handing over of stocks to APSSDC – Nominate APSSDC as Nodal agency -Orders- Issued.

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**AGRICULTURE AND COOPERATION (F.P.II) DEPARTMENT**

**G.O.Ms.No. 153**

**Date:21<sup>st</sup> June 2008**

**Read the following:-**

- 1.From the Managing Director, APSSDC Limited, Hyderabad Lr.NO. SDDC/VC&MD/Fodder/2008-09 Date:02.06.2008 along with letter of District Collector, Nizamabad.
- 2.From the Special Secretary to Chief Minister, CMO CMP.NO.6483 /CMP/2008 Dated:11.06.2008.
3. Government Lr.NO.7447/F.P.II(2)/2008-1 Date:16.06.2008.
4. From the Managing Director, APSSDC Limited, Hyderabad Lr.No. SSDC/VC&MD/Fodder/2008-09 Date:16.06.2008.
5. From the District Collector, Nizamabad Lr.NO.CC/Collr/2008 Date:18.06.2008.
6. From the Managing Director, APSSDC Limited, Hyderabad Lr.NO. SSDC/VC&MD/Fodder/2008-09 Date:18.06.2008.

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**ORDER:**

In the references 1<sup>st</sup> read above, the Managing Director, APSSDC, Hyderabad has reported that District Collector, Nizamabad requested the Government for involvement of Government Agency i.e., for procurement of SSG Jowar during Rabi 2008. He also reported that the District Collector, Nizamabad held discussions with seed producing companies representatives and Farmer's representatives in this regard and after prolonged discussions M/s.Godavari Hybrid seeds, Ankapoor have come forward to purchase the entire produce at Rs.1500/- per quintal on the condition that no farmer should sell any quantity to other companies. Agreement was entered into by the company for purchase of 5,11,000 quintals valued Rs.78.00 crores. Out of this 2,03,000 quintals was disposed and payments to the tune of Rs.32.00 crores was paid to the farmers. The remaining 3,08,000 quintals could not be disposed and payments were due to the farmers to the extent of around Rs.46.20 crores. The Managing Director, APSSDC also reported that in the present circumstances no company is coming forward to buy the stocks of SSG Jowar of 3,08,000 quintals @ Rs.1500/- per quintal as there is no demand at present and season is going to be completed shortly. Since the farmers are requesting for payments and making Dharnas and Rasta Rokos continuously, the District collector, Nizamabad requested the Government to involve Government Agencies like AP MARKFED, APSSDC to take over the un-disposed stock of 3,08,000 quintals.

2. In view of the Law and Order situation in Nizambad District, the M.D., APSSDC/District Collector, Nizamabad were informed that the Government have agreed to the proposal in principle to permit APSSDC to raise loans and to take over stocks of Fodder Jowar seeds available in Nimabad District vide reference 3<sup>rd</sup> read above.

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3. In response to the above, the Managing Director, APSSDC, Hyderabad vide his letter 4<sup>th</sup> read above has reported that the District collector, Nizamabad informed that the availability of proposed SSG fodder seed for procurement is more than 3.00 lakh qtls and proposed the rate of Rs.1200/- per qtl. which comes to Rs.36.00 Crores. He also reported that the Corporation has already consulted its Bankers M/s Andhra Bank for releasing short term loan and they have agreed to release only Rs.32.00 crores against hypothecation of SSG Jowar seed stocks with a period of payment fixing 8 (eight) months expiring on January, 2009. The rate of interest is 11.75% per annum while the APSSDC is at liberty to make pre-payment before cut off date. The bank agreed for giving concession on processing fee and documentation charges and agreed to release the loan within a week time.

4. Further the District Collector, Nizamabad in his letter Dated:18.06.08 has reported that after discussions with Govt. and agitating Red Jowar Farmers at Armour and as per the instructions of Govt the problem has been resolved. The hunger strikes has been called off. The Red Jowar Seed stock available in the godowns under the custody of Sri Mahipal Reddy, Trader would be handed over to APPSSDC Limited for arranging payment @ Rs.1200/- per quintal and the same would be paid to the farmers. Further the difference of Rs.340.00 per quintal would be paid from the profits derived by the APSSDC on disposal of the stocks by 31.08.2008. The District Collector, Nizamabad has also informed that in case, the APSSDC failed to get required profit, the further gap would be recovered from Sri Mahipal Reddy, Trader against whom criminal case is being field as per law and paid to the Farmers.

5. Therefore, the District Collector, Nizamabad has requested the Government to instruct the Managing Director, APSSDC to take over the stocks and arrange payment @ Rs.1200.00 per quintal on priority basis to enable payment to the agitating farmers to take up Kharif agricultural operations and to transfer profit share to ryots account on the disposal of said stock.

1. Govt after careful examination of the overall case into consideration hereby direct the Managing Director, APSSDC, Hyderabad:

- i] to take over the estimated stock of 3,08,000 quintals of SSG Jowar after proper weighment and arrange payment @ Rs.1200/- per quintal on priority basis to the agitating farmers to take up Kharif agricultural operations.
- ii] to pay the difference of Rs.340/- per quintal to the farmers from the profits derived by the APSSDC on disposal of the stocks by 31.8.2008.
- iii] In case APSSDC disposes at the rate above Rs.1540/- per quintal the APSSDC will make payment at the rate of Rs.340/- per quintal to the farmers.
- iv] In case APSSDC disposes at a rate between Rs. 1200-1540 then the amount above Rs.1200/- would be paid by APSSDC to the seed producers and the balance would be recovered from Sri Mahipal Reddy of M/s Godavari Hybrid Seeds as agreed by District Collector, Nizamabad.

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v] In case APSSDC realizes less than Rs,1200/- per quintal then the differential amount of Rs.340/- per quintal would be recovered from Sri Mahipal Reddy of M/s Godavari Hybrid Seeds and paid to the farmers and the loss incurred in the transaction by APSSDC will be reimbursed by the Government to the APSSDC.

vi] The APSSDC to raise loan to an extent of Rs.36.00 Crores from Banks towards procurement of balance SSG Jowar seed of 3.08 lakh quintals @ Rs.1200/- per quintal and to act as nodal agency in the matter.

8. The disposal of stocks would be done by the MD APSSDC by forming District Level Disposal Committee under the Chairmanship of District Collector, Nizambad and other concerned officials as Members. The Principal Secretary, Agriculture will be the Chairman of the State Level Disposal Committee with concerned officials as Members.

9. Further, the Commissioner & Director of Agriculture, Hyderabad is directed to take necessary action under Seeds Act against the seed Company which have violated the buy back agreements with farmers and explore taking legal action against M/s Godavari Hybrid Company for failing to abide the agreement entered with the District Collector, Nizambad.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**C.RBISWAL  
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Commissioner & Director of Agriculture, Hyderabad.

The Managing Director, APSSDC, Hyderabad

Copy to the District Collector, Nizambad

Copy to Finance [EAC] Department

Copy to the Accountant-General, AP Hyderabad.

Copy to PS to Special Secretary to Chief Minister

Copy to PS to M [Agriculture]

Copy to PS to Prl.Secy [Agriculture]

Copy to SF/SC.

**//FORWARDED : : BY ORDER//**

**SECTION OFFICER**